

Topic 5: Project Management

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Managing Stakeholders

Objectives:

- Describe what are stakeholders and the different stakeholder attributes
- Analyze stakeholders with the use of Power-Interest Grid
- Evaluate gaps in stakeholder engagement with the use of a Stakeholder Engagement Assessment Matrix

Course Outline:

- The nature of stakeholders
- Stakeholder Types
- Stakeholder Attributes
- The Power-Interest Grid
- The Salience Model
- The Stakeholder Register
- Stakeholder Engagement Assessment Matrix
- The Stakeholder Engagement Plan
- Stakeholder Communications

The Nature of Stakeholders

- A person, group or organization that has interest or concern in an organization.
- Stakeholder can affect or be affected by the organization's actions, objectives and policies.
Some examples of key stakeholders are creditors, directors, employees, government (and its agencies), owners (shareholders), suppliers, unions, and the community from which the business draws its resources.
- An individual, group, or organization that may affect, be affected by, or PERCEIVE itself to be affected by a decision, activity, or outcome of a project, program, or portfolio.

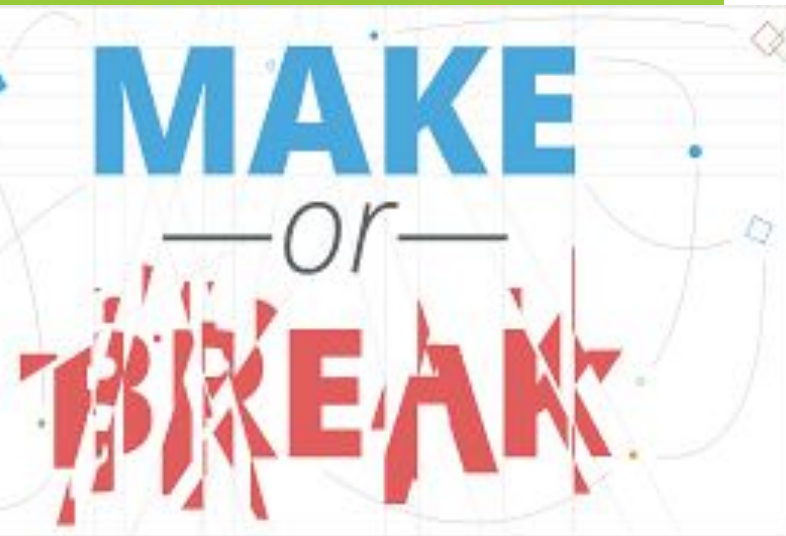


The Nature of Stakeholders



Stakeholder Management

Why Stakeholders are important to Projects?



1. They can provide expertise (i.e. business processes, historical information, known issues which may be related to the project, etc.)
2. They can help you reduce and uncover risks having the organizational insights.
3. They can help increase project success through engaging them from the beginning so that their views and ideas can be incorporated to best fit their needs.
4. They will provide the project acceptance at the project's completion.
5. They have the power to undermine the project's position and some of them can also on your position.

Identify Stakeholders - Approaches

- Interview
- Brainstorming
- Focused Groups
- Identified Stakeholders

Interviews

- Ask open-ended questions during the interview such as follows:
 - *Who have you worked with in past, similar initiatives?*
 - *Who did you turn to if you had questions?*
 - *Who were proponents/opponents?*
 - *How were these initiatives successful?*
 - *How is this initiative related to other portfolios, programs, or projects?*
 - *Can you recommend others for me to talk with about this initiative?*
 - *Can you think of other people who might have concerns or interests?*
 - *Can you recommend others who can be consulted on this project?*

Identify

Analyze

Strategize

Engage

Identify Stakeholders - Approaches

- Questionnaire
- Review Document
- Profile Analysis Meetings

• Identified Stakeholders

Review Documents

- Start with the project charter
- Review contract documents
- Review organizational process assets and enterprise environmental factors
- Check other project documentation

Identify

Analyze

Strategize

Engage

Identify Stakeholder S - Approaches

- Some questions to ask during interviews, focus groups, survey and questionnaires, brainstorming)
- I am struggling to recognize how my project contributes to our organization's vision when I talk with people – can you help me?
- I am new here and managing this major program. How do you suggest I build my network? Whom do I need to contact? Is there any related project I can review or the SMEs I can consult? Where or from who can I get other useful insights?
- I just reviewed the benefits the previous program manager listed- I really do not see the value of some of them. Can you help me figure out which ones are the most important?
- Any suggestion on how to increase the probability of success for his project?

Identify

Analyze

Strategize

Engage

Identify Stakeholders

–

Internal vs. External

- **Internal Stakeholders** – are those who reside within the company and benefit directly from their own contributions to the growth of the company. They are considered part of the organization and are already committed to serving the organization and acquiring the benefits of it as well.
- Examples:
 - Project Sponsor
 - IT Manager
 - Functional Manager
 - Procurement Team
- **External Stakeholders** – are those people who do not directly engage in economic exchange with the business however they are affected by the decisions of the business. These individuals or organizations are affected by the financial well-being of the company. It is essential to get the perspective of these stakeholders.
- Example:
 - Banks/Lenders
 - Clients/Customers/users/general public
 - Suppliers
 - Activist Groups

Identify

Analyze

Strategize

Engage

Stakeholder Types

✓ SUPPORTER

✓ These are stakeholders that like what you are doing

✓ They often benefit from your work

✓ Sometimes, they support you not because of what you do, but because of who you are

✓ You can leverage the people who giving them a reason to support you

✓ Aid, Favors, Expedite, Facilitation, Feedback, etc.

✓ NEUTRAL

✓ These are stakeholders who don't really care

✓ They are neither for or against your work

✓ Often, they do not lose or gain anything from your work

✓ Your goal is to turn them into supporters by

WillFM?
(what's in it for me?)

Kebs!!!

Wapakels!

✓ UNAWARE

✓ These are stakeholders who don't know you exist *Kasali ako!*

✓ They do not know that they are stakeholders

✓ You need to make an assessment on how they may affect or be affected by your work

How you see the situation?

✓ You need to make them aware that they are stakeholders (and hopefully support you)

✓ it is important that you frame their stake in the project in a positive manner in order to get their support)

✓ RESISTOR

✓ These are stakeholders who dislike what you are doing

✓ They often do not benefit from your work

✓ Sometimes, they don't support you not because of what you do, but because of who you are *What they say it?*

✓ You need to look beyond their position and understand their interests in order to convert them from resistors to supporters

Why they say it?

You can look at stakeholders from different levels

E.g. Your company is setting up a new business in the town

Assessing the different types of Stakeholders

- ~~Local Community~~ — **Unaware** – they do not know about the new business
- ~~Municipal Hall~~ — **Supporter** – collectively, they see this as additional income
- ~~Permits Office~~ — **Neutral** – issuing permits is part of their work
- ~~Permits Clerk~~ — **Resistor** – the clerk sees this as additional work for her

What is a Stakeholder Engagement Assessment Matrix?

- The **stakeholders engagement assessment matrix** is a way of analyzing and portraying the level and direction of **stakeholder engagement**. The **matrix** is one of the analytical techniques that are the tools and techniques listed for the PMI process of plan **stakeholder management**.

Stakeholder Engagement Assessment Matrix



STAKEHOLDERS ENGAGEMENT ASSESSMENT MATRIX

Stakeholder	Unaware	Resistant	Neutral	Supportive	Leading
Stakeholder 1	C			D	
Stakeholder 2			C	D	
Stakeholder 3				D C	

C – Current
D - Desired

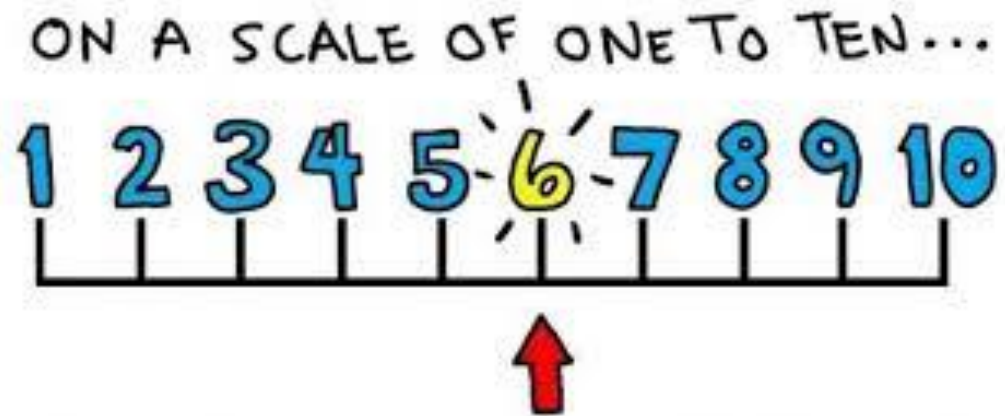


Stakeholder Attributes

- Not all stakeholders are the same

You can measure stakeholders using various attributes such as :

- Power
- Interest
- Impact
- Influence
- Urgency
- Legitimacy



Today is a Six!

Stakeholder Attributes

POWER

- Level of control a person has on your work
- High power means the ability to stop your work
- Low power means he cannot do anything to prevent you from doing your work



Stakeholder Attributes

INTEREST

- How interested a person is with regards to your work
 - This may be brought about by how much your work affects him/her either positively or negatively
- High interest means he/she wants to know more about the work
- Low interested means he/she is uninterested



Stakeholder Attributes

IMPACT

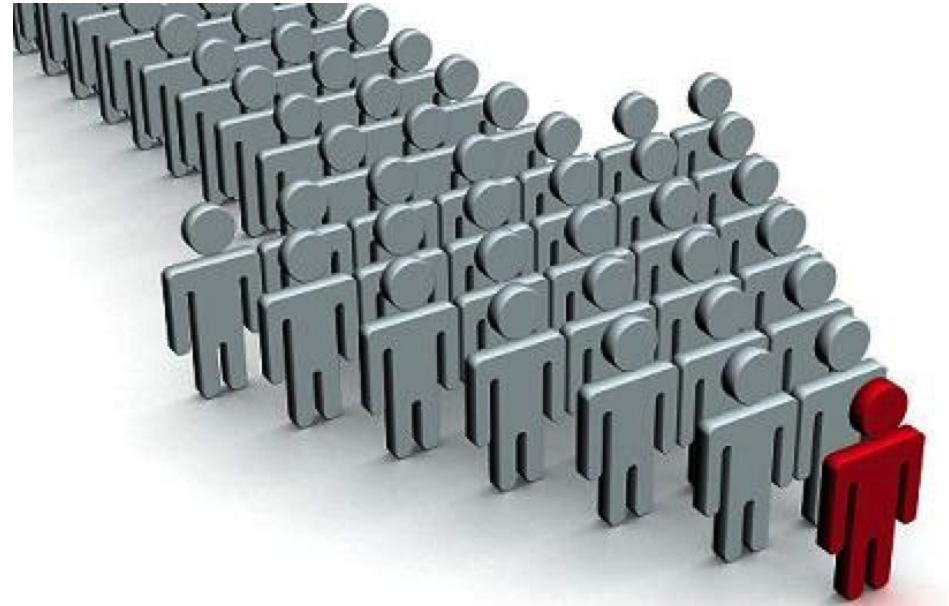
- How much a stakeholder can affect your work either positively or negatively if he so decides to act on your work
- High impact stakeholders can alter the course/direction of the work you are doing
- Low impact stakeholders will not significantly alter the work you are doing



Stakeholder Attributes

INFLUENCE

- The ability of a stakeholder to alter the outcome of your work
- Highly influential stakeholders can smoothen things out with other stakeholders
- Low influence stakeholders are not capable of making suggestions to other stakeholders



Stakeholder Attributes

URGENCY

- How important your work is to the stakeholders
- Stakeholders that have a high urgency tend to need your work to be accomplished at the soonest possible time
- Stakeholders that have low urgency tend to put aside or deprioritize your work



Stakeholder Attributes

LEGITIMACY

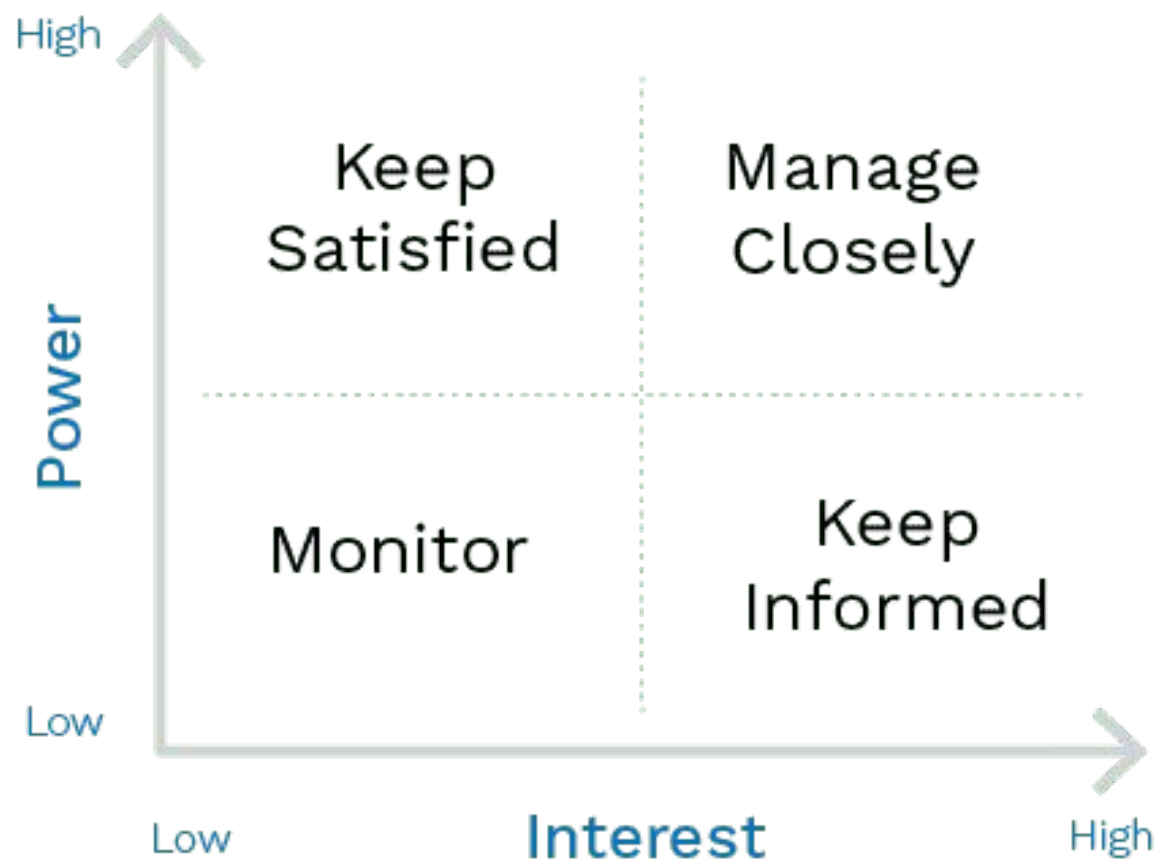
- How much right a stakeholder has to be involved in your work
- Stakeholders with a high level of legitimacy can involve themselves in your work anytime
- Stakeholders with little or no legitimacy might not even be supposed to involve themselves in the work you are doing



What is stakeholder analysis?

A **stakeholder analysis** is a process of identifying these people before the project begins; grouping them according to their levels of participation, interest, and influence in the project; and determining how best to involve and communicate each of these stakeholder groups throughout.

Power-Interest Grid



POWER – INTEREST GRID

- **High power, high interest:** These are your most important stakeholders, and you should prioritize keeping them happy with your project's progress.

- **High power, low interest:** Because of their influence in the company, you should work to keep these people satisfied. But because they haven't shown a deep interest in your project, you could turn them off if you over-communicate with them.

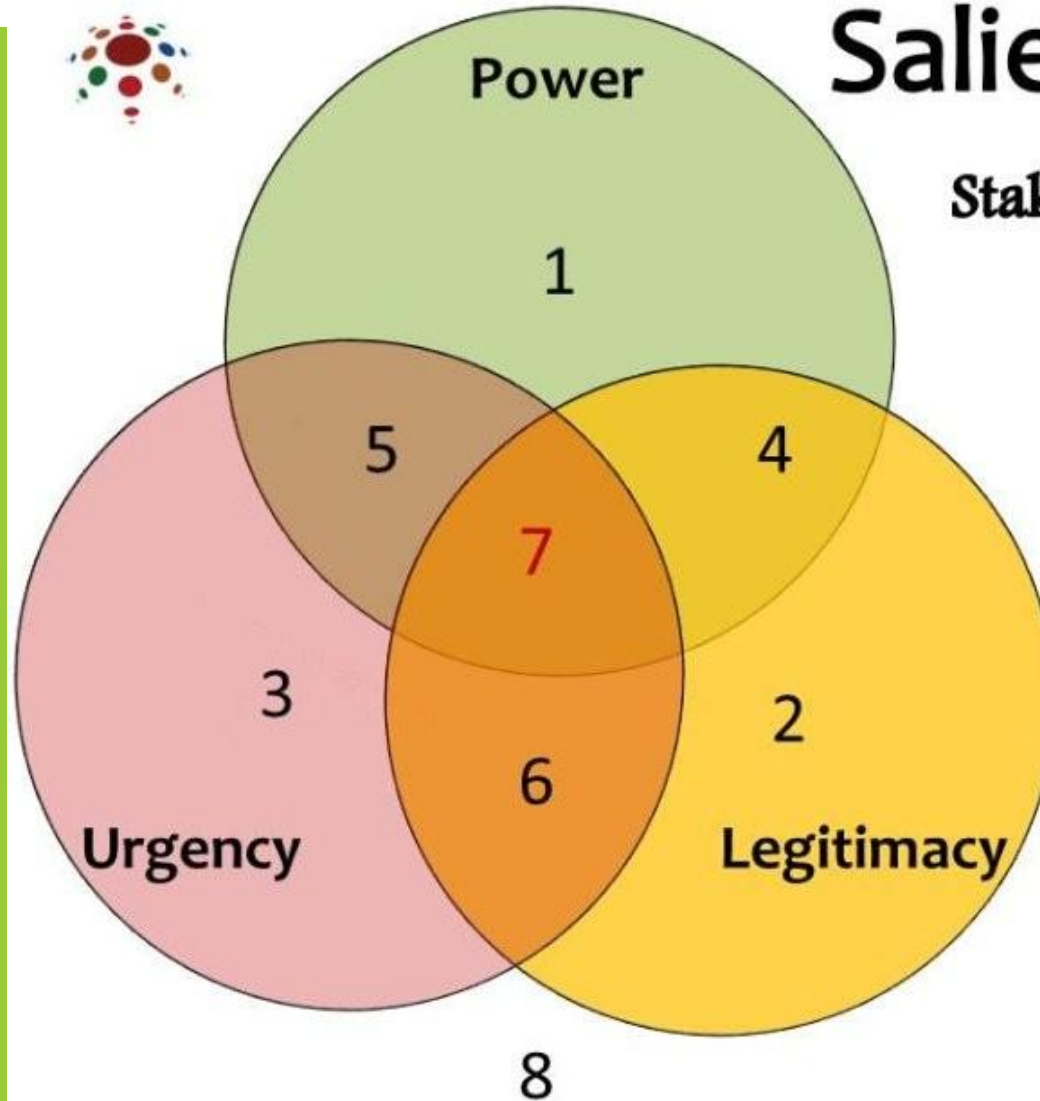
- **Low power, high interest:** You'll want to keep these people informed and check in with them regularly to make sure they are not experiencing problems on the project.

- **Low power, low interest:** Just keep these people informed periodically, but don't overdo it.



Salience Model

for
Stakeholder Analysis



1. Dormant
2. Discretionary
3. Demanding
4. Dominant
5. Dangerous
6. Dependent
7. Definitive
8. Non stakeholders

Salience Model

- is a method for classifying stakeholders and to decide who do matter!

- A project manager is likely to face the challenge in choosing the right stakeholders and prioritizing the competing communication needs. Salience model brings clarity in prominence and importance of the different stakeholders.
- The stakeholder salience is decided by the assessment of their power, legitimacy and urgency in the organization.

Power – is the ability of a stakeholder to impose their will.

Urgency – is the need for immediate action.

Legitimacy – is to assess if their involvement is appropriate.

Each of the circle maps stakeholders with power, urgency and legitimacy, creating seven different classes. The stakeholders are assessed and assigned to one of the region.

- **Dormant stakeholders:** They have power but not urgency or legitimacy. Thus the manager should be aware of them but there is no need to plan for their communication needs.
- **Discretionary stakeholders:** They are legitimate but have no power or urgency. Their communications needs maybe in the form of actually asking for some details. They may not need much attention.
- **Demanding stakeholders:** They are with urgency and their needs have to be met when asked for.
- **Dominant stakeholders:** Power and legitimacy overlap in this case. Dominant stakeholders have legitimacy and authority. Their communication needs must be taken into account.

- **Dangerous stakeholders:** These stakeholders have the dangerous mix of power and urgency. This combination of power and urgency, makes them very useful for the welfare of the project therefore their needs must be met.
- **Dependent stakeholders:** They are legitimate and have the urgency but do not have commensurate power. Keep them informed as they could be of help when you need to leverage their strengths in navigating the organization complexities.
- **Definitive stakeholders:** The most important area in this model – where the power and legitimacy converge and gets combined with ability to get urgency from the organization; the most critical category of stakeholders which is always to be kept informed, satisfied and involved.

Stakeholder Register

- A **stakeholder register** is a project management document which contains the information about the project's stakeholders. It identifies the people, groups, and organizations that have any interest or involvement in your project.

Stakeholder Register

STAKEHOLDER REGISTER

Project Title: _____ Date Prepared: _____

Name	Position	Role	Contact Information	Requirements	Expectations	Influence	Classification

Stakeholder Name	Designation	Role on project <i>Decision Maker, Consultant, Team Member, collaborator</i>	Communication Needs <i>Frequency and level of communication – Urgency, Legitimacy, Power</i>	Project Interest <i>Areas of interest</i>	Impact on project <i>Positive, Negative</i>	Classification <i>Advocate, Neutral, Resistor, 3rd Party, influencer, Supporter, Accountable</i>

The Stakeholder Engagement Plan

The stakeholder engagement plan is a component of the project management **plan** that identifies the **strategies** and actions required to promote productive **involvement** of **stakeholders** in decision making and execution

Stakeholder Engagement Plan

Stakeholder organization, group, or individual	Potential role in the activity	Engagement strategy How will you engage this stakeholder in the activity?	Follow-up strategy plans for feedback or continued involvement
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Why
Stakeholders
are important
to Projects?



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